

Summary of the Consultation with Suppliers

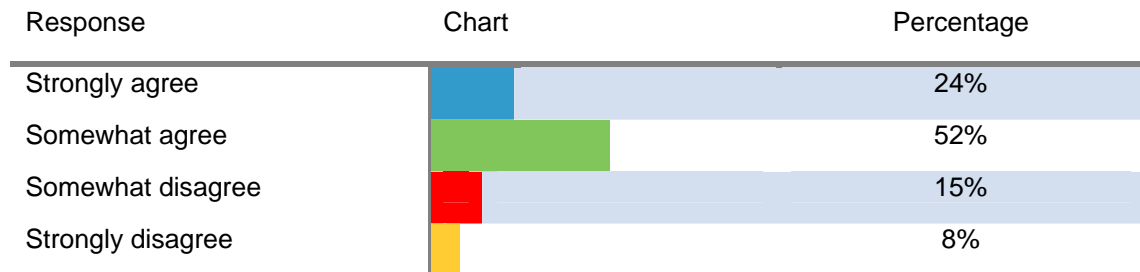
Professional Services National Procurement Strategy

This document includes the following:

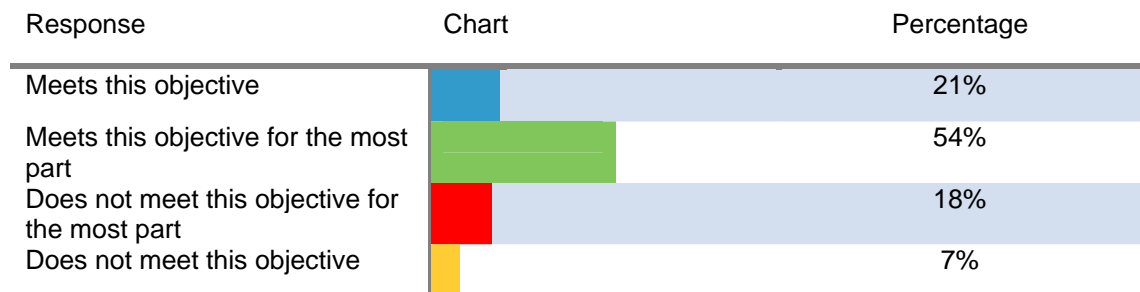
- Part I. The quantitative results of the online questionnaire, which suppliers were invited to respond to as part of the consultation.
- Part II. A summary of the comments received from industry, and PWGSC's response to these comments.

PART I: QUANTITATIVE RESULTS OF THE ONLINE QUESTIONNAIRE

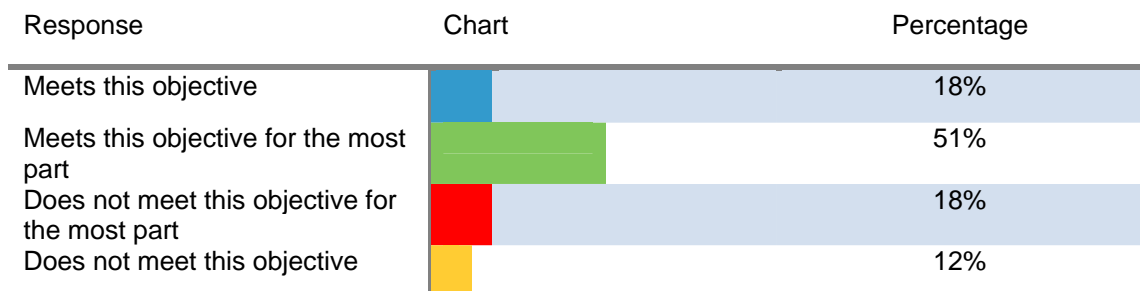
One of the objectives of the proposed professional services national procurement strategy is to reduce the “red tape” and simplify the business rules that apply to the procurement of professional services. To what extent does the proposed strategy meet this objective?



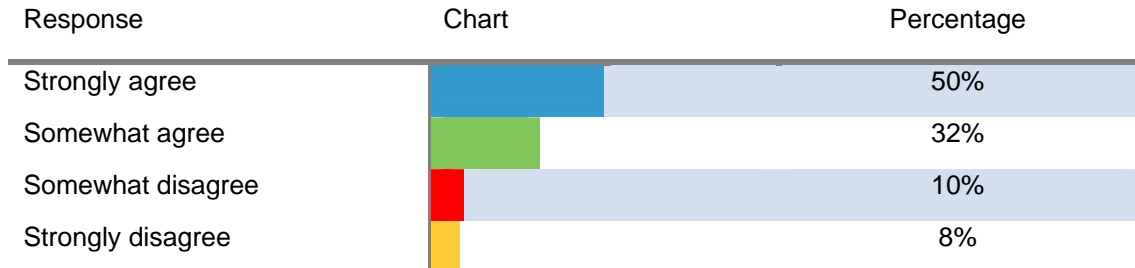
Another objective of the professional services national procurement strategy is to enhance access to new suppliers who want to do business with the federal government by standardizing processes and simplifying rules. To what extent does the strategy meet this objective?



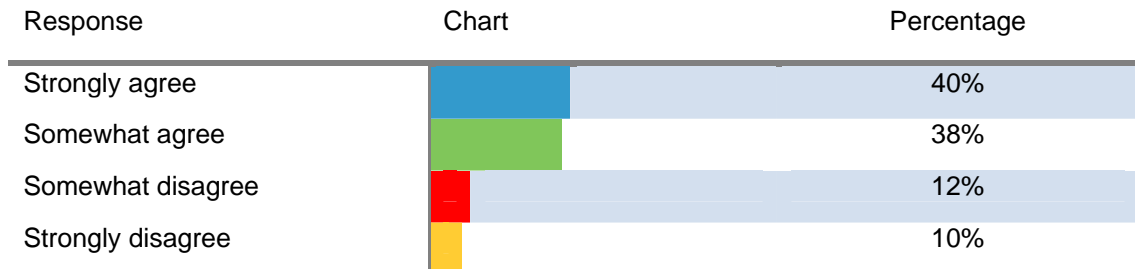
One of the objectives of the professional services national procurement is to reduce the administrative burden associated with doing business with the federal government. To what extent does the strategy meet this objective?



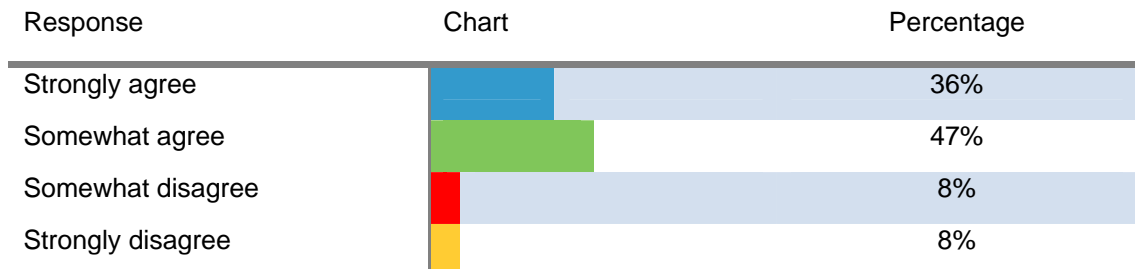
What do you think of the following statement: "PWGSC should have a single supply arrangement for professional services requirements up to \$76,600 (NAFTA threshold) which uses a simplified qualification criteria.



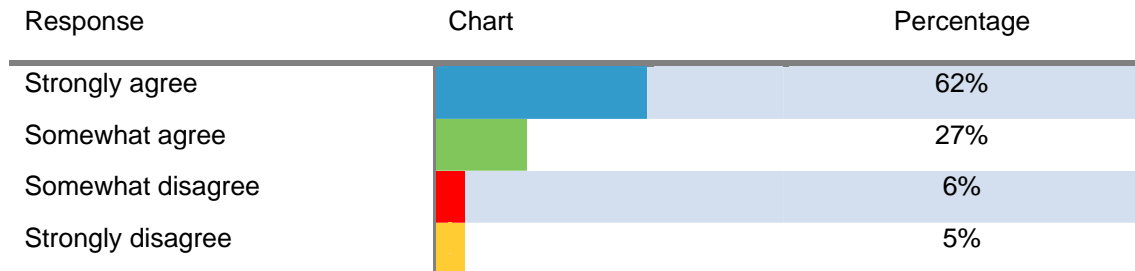
For competitive bid solicitations up to \$76,600 (NAFTA threshold), PWGSC proposes that government departments be allowed to choose the number of pre-qualified suppliers (with a minimum of 2 suppliers), provided they justify and document the rationale for the supplier selection. To what extent do you agree with this proposition?



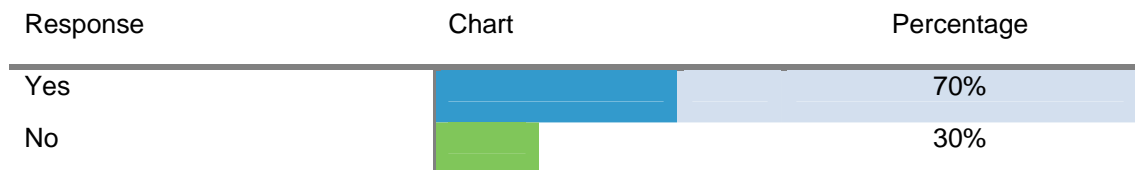
For competitive solicitations up to \$76,600 (NAFTA threshold), PWGSC proposes that government departments choose the number of calendar days associated with the bidding Period. To what extent do you agree with this proposition?



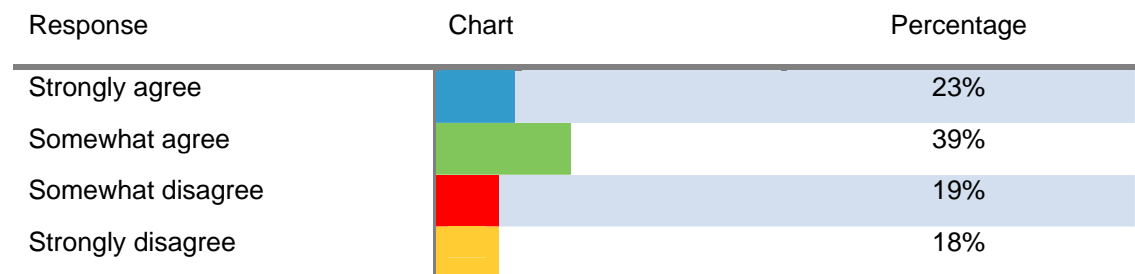
PWGSC proposes that government departments be allowed to invoke the option under the Government Contracts Regulations whereby departments can direct a contract valued at up to \$25,000, whenever it is not cost effective to solicit bids. To what extent do you agree with this proposition?



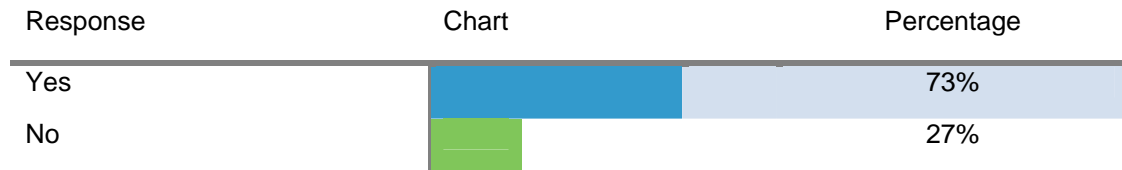
For requirements under supply arrangements over \$76,600 and up to \$2 million, PWGSC proposes that government departments solicit bids from a minimum of 15 pre-qualified supply arrangement holders. Do you agree?



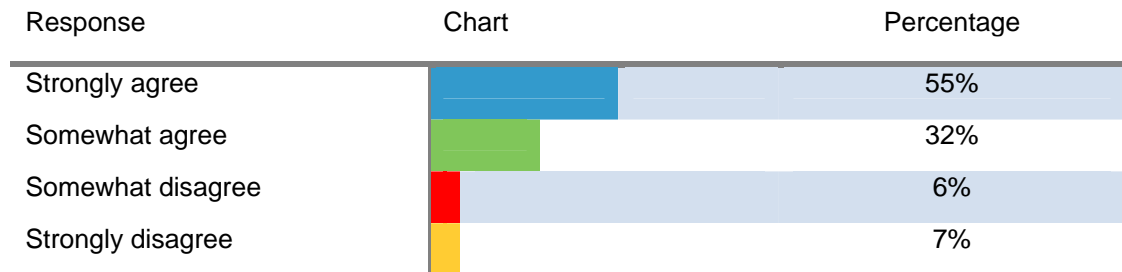
PWGSC proposes that government departments be allowed to select a minimum of 10 suppliers from the pool of pre-qualified suppliers, and that a minimum of 5 suppliers be selected at random, for a total of 15. To what extent do you agree with this proposition?



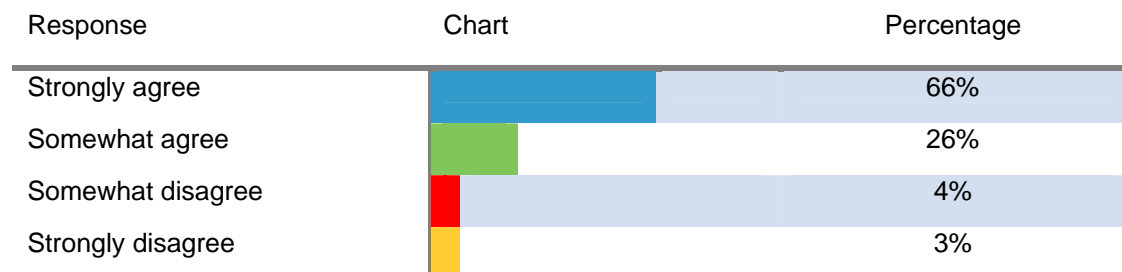
For professional services requirements under supply arrangements over \$76,600 and up to \$2 million, PWGSC proposes that bid solicitations be issued for a minimum of 15 calendar days to pre-qualified suppliers. Do you agree?



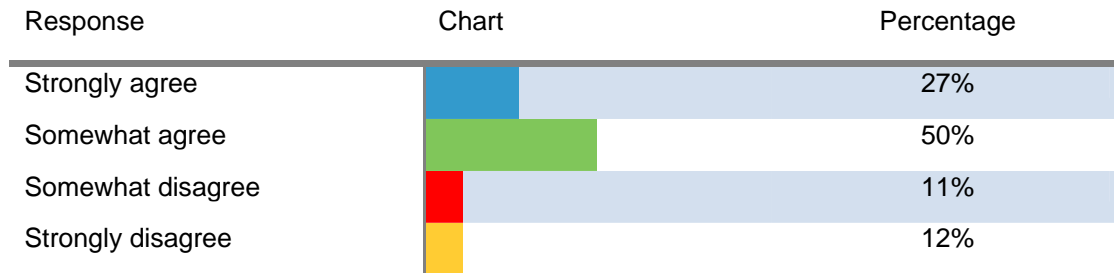
PWGSC proposes to qualify bidders for the supply arrangement without assessing financial rates. Qualified suppliers will only submit financial rates when bidding on a specific solicitation. To what extent do you agree with this proposition?



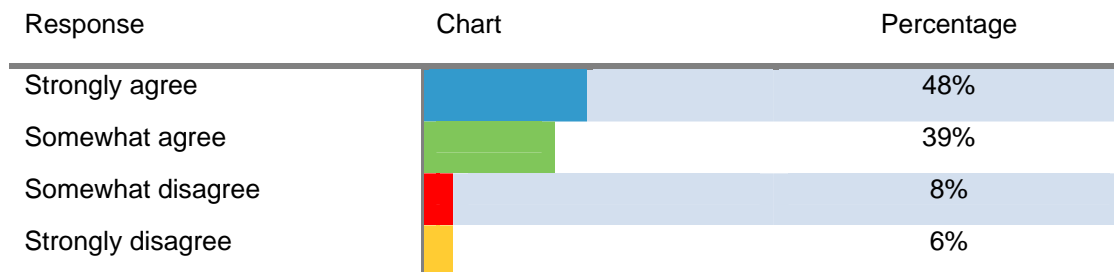
The national procurement strategy proposes that suppliers who have already pre-qualified for certain streams of work will not have to submit a new technical bid at the time of a supply arrangement refresh. They will only be required to confirm their existing arrangement, including certifications. Do you agree with this?



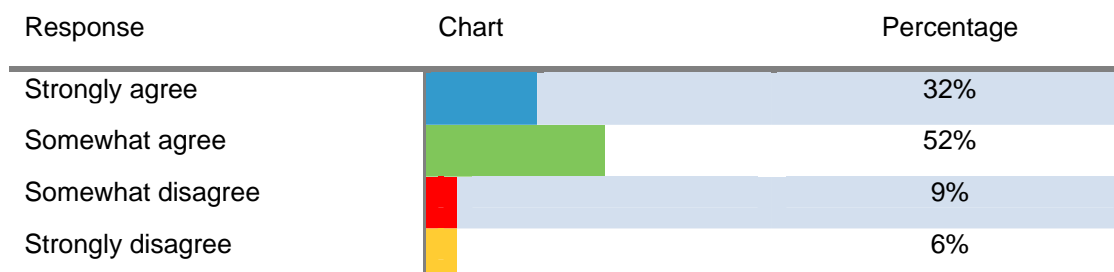
In accordance with the “Right of First Refusal” method of allocation, the Professional Services National Procurement Strategy proposes that government departments send a confirmation of work availability to up to 10 Offerors at once, starting with the highest ranked on the Right of First Refusal list. Do you think that 10 is a reasonable number when sending a confirmation of work availability?






For standing offer requirements up to \$25,000, the national procurement strategy proposes that government departments be allowed to call-up any of the suppliers who are listed on the standing offer, provided that government departments can justify why it is not cost effective to use the basis of selection “Right of First Refusal”. To what extent do you agree with this proposition?



For standing offers, PWGSC proposes to standardize the call-up limit to a maximum of \$250,000 for government departments. Do you consider this reasonable?



To further simplify and standardize financial evaluation of standing offer bids under a request for standing offer, the national procurement strategy proposes that financial bids which are greater than 140% of the median price of all financial bids will be considered non-compliant.

Response	Chart	Percentage	Count
A median of +140% is reasonable when determining whether bids are financially compliant		45%	110
A median of + 150% is more reasonable		40%	98
A median of+ 130% is more reasonable		15%	37

PART II: SUMMARY OF COMMENTS RECEIVED FROM INDUSTRY, AND PWGSC'S RESPONSE

Increasing directed contracting limits

Many suppliers stated that the \$25,000 limit has been in place for a significant period of time, and that it has not increased with inflation and other additional costs of business. In real terms, this means that clients can obtain fewer services for \$25,000 than they could in the past. Several suppliers stated that raising the directed contracting limit would constitute a major step in reducing red tape.

~ PWGSC Response

While it is not within the scope of the current strategy to raise directed contract limits beyond what is permitted under legislation, PWGSC takes note of these comments.

Reducing administrative burden

While many suppliers viewed the strategy as a positive step towards reducing administrative effort, suppliers also stated that minimizing administrative efforts should remain an ongoing priority throughout implementation of the strategy. Suppliers suggested that PWGSC should consider further improvements such as using simplified language in bid solicitations, reducing reporting requirements for suppliers, simplifying bid solicitation forms, e-bidding, and others.

~ PWGSC Response

PWGSC takes note of all these comments and, where practical and feasible, will consider including these in its implementation of the strategy.

PWGSC will implement a single supply arrangement up to \$ 76,600 – i.e. the current threshold for services under the North American Free Trade Agreement (NAFTA)

While the majority of suppliers supported the notion of a single supply arrangement up to the NAFTA threshold, suppliers commented on the need to strike the right balance between encouraging access to suppliers and meaningful screening of suppliers. While most suppliers supported the idea of simplified criteria, suppliers also mentioned that criteria should not be simplified to the point where suppliers are incapable of differentiating themselves.

~ PWGSC Response

PWGSC takes note of all these comments and will consider this when developing the qualification criteria for the single supply arrangement up to the NAFTA threshold.

Allowing government departments to choose the number of suppliers invited to bid, as well as the duration of the bid solicitation, for requirement up to \$ 76,600 (NAFTA)

The large majority of suppliers agreed that client departments should be able to choose the number of bidders invited, as well as the duration of the bid solicitation period. Many respondents recommended, however, that a minimum should be provided (e.g. a minimum of 3 suppliers invited, or a minimum of 5 calendar days).

~ PWGSC Response

In an effort to reduce the number of additional rules, PWGSC will not stipulate a mandatory minimum number of suppliers to be invited, nor a minimum number of calendar days for the bidding period. That being said, PWGSC will develop a harmonized training on professional services methods of supply, and this training will include guidance for client departments on what factors should be considered when determining the number of suppliers invited and the duration of the bid solicitation.

When using a supply arrangement, a minimum of 15 suppliers should be invited to bid for requirements between \$ 76,600 and up to \$2,000,000 when using a supply arrangement.

Several suppliers stated that, when competition takes place, PWGSC should invite a minimum of 10 or fewer suppliers, and not 15 suppliers since that number was too high. Some suppliers also stated that a single, standardized approach should not be used for all requirements between \$76,600 and \$2M. Instead, the \$76,6k to \$2M threshold should be broken into smaller thresholds in order to allow for greater differentiation based on dollar value.

~ PWGSC Response

PWGSC, for the moment, will continue with the proposed business rule of inviting a minimum of 15 suppliers. PWGSC will, however, re-evaluate as necessary this minimum number based on supplier data gathered during the implementation of the strategy. As part of its harmonized training, PWGSC will also provide clients departments with guidance as to what factors should be considered (e.g. bid complexity) when determining the number of suppliers invited.

When using a supply arrangement, bid solicitations should be issued for a minimum of 15 calendar days for requirements between \$ 76,600 and \$2,000,000 under a supply arrangement.

Some suppliers stated that a bidding period of 15 calendar days, as a minimum, did not give sufficient time for bidders to respond to some requirements, particularly higher complexity ones.

~ PWGSC Response

PWGSC will continue with the minimum 15 calendar days bidding period. In parallel, PWGSC will provide guidance, within its harmonized training, covering the factors (e.g. complexity, supplier base) that should be considered when determining and appropriate bid solicitation period.

Standardizing the Right of First Refusal Method for Standing Offers

Several suppliers stated that the Right of First Refusal method was not an appropriate way to procure professional services, or to select a supplier on the basis of best value. Several suppliers stated they would prefer a more flexible method of work allocation, based on "best value."

~ PWGSC Response

PWGSC acknowledges the comments received from industry. The Right of First Refusal applies only to the standing offer component.

PWGSC's primary effort will work towards simplifying and improving its supply arrangements which, along with better support tools, will make it easier for government departments to use supply arrangements (as opposed to standing offers), and compete requirements on the basis quality and price.

Even under the standing offer, the Professional Services National Procurement Strategy currently proposes an alternative to Right of First Refusal, which is to allow government departments to direct a call-up up to \$25k to any supplier on the Right of First Refusal list. This will, amongst other things, provide government departments with greater flexibility in allocating work based on overall cost effectiveness and value.

PWGSC also remains committed to improving on the Right of First Refusal Method, as well as to exploring alternatives to Right of First Refusal should viable alternatives make themselves available over the course of the strategy.